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18 AUG 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Background of Boretsky paper. "The Technological Base of Soviet Military Power"

1. This paper makes a series of estimates of Soviet military procurement from 1958 to 1968, with projections to 1970. These estimates begin with calculations on total Soviet machinery production, from which Boretsky derives his title of, "The Technological Base."

2. The calculations in his paper are solely from unclassified sources, using techniques which we have tried in the past and found to be deficient. His conclusions on the magnitude and growth of Soviet military procurement are grossly at variance with those reached in our own research and which have been agreed to within the Intelligence Community. He shows a far higher rate of growth -- 19.1 percent a year vs. our 5.7 percent -- and 1968 level of outlays for military and space about 20 percent higher than the US, and perhaps 40 percent more than the US by 1970. CIA estimates are that the USSR outlays for military procurement are less than the US.

3. Since Boretsky's paper is intended for publication in the current Congressional Joint Economic Committee's review of the USSR, his findings will be given an aura of authenticity that can only cause difficulties for us. The "hawks" would be elated.

4. For these reasons, we recommend that you sign the attached letter to Secretary Stans, which in effect asks him to hold up on publication.

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Attachment

EDWARD L. ALLEN

Director

Economic Research

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

20 AUG 1970

MEMORANDUM FOR: The Honorable Maurice Stans
Secretary of Commerce

SUBJECT : Paper on "The Technological Base
of Soviet Military Power"

1. Thank you for sending us a copy of Dr. Boretsky's paper, "The Technological Base of Soviet Military Power." We find its estimates to be substantially at variance with our own conclusions, which are based on all sources of information and have been published in community-agreed classified National Intelligence Estimates. For example, Dr. Boretsky calculates that Soviet outlays for military equipment increased some 600 percent between 1958 and 1968; the corresponding intelligence community estimate is an increase of 75 percent.

2. Other differences between Dr. Boretsky's analysis and our own are equally striking. For these reasons, I believe that its publication under the auspices of the Joint Economic Committee would be unfortunate. I have asked my colleagues who work in this area to contact appropriate officials in your Department for a discussion of the problems.

/s/ Richard Helms
Richard Helms
Director

CONCUR:

/s/ R. J. Smith

R. J. SMITH
Deputy Director for Intelligence

19 AUG 1970

Date

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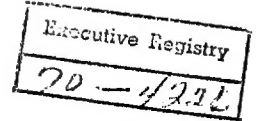
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MEMORANDUM FOR THE HONORABLE RICHARD HELMS

Attached is a copy of a paper prepared by Dr. Michael Boretsky of my staff for the Joint Economic Committee entitled "The Technological Base of Soviet Military Power".

Because of its implications, I am sending it to you for your review.

Maurice H. Stans
Maurice H. Stans

Attachment